

108TH CONGRESS
1ST SESSION

H. R. 453

To amend the Federal Deposit Insurance Act with respect to municipal deposits.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Mr. GILLMOR (for himself, Mr. NEY, Mr. BEREUTER, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act with respect to municipal deposits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Municipal Deposit In-
5 surance Protection Act of 2003”.

6 **SEC. 2. INCREASED INSURANCE COVERAGE FOR MUNIC-**
7 **IPAL DEPOSITS.**

8 Section 11(a)(2) of the Federal Deposit Insurance
9 Act (12 U.S.C. 1821(a)(2)) is amended—

10 (1) in subparagraph (A)—

1 (A) by moving the margins of clauses (i)
2 through (v) 4 ems to the right;

3 (B) by striking, in the matter following
4 clause (v), ‘such depositor shall’ and all that
5 follows through the period; and

6 (C) by striking the semicolon at the end of
7 clause (v) and inserting a period;

8 (2) by striking “(2)(A) Notwithstanding” and
9 all that follows through “a depositor who is—” and
10 inserting the following new paragraph:

11 “(2) MUNICIPAL DEPOSITORS.—

12 “(A) IN GENERAL.—Notwithstanding any
13 limitation in this Act or in any other provision
14 of law relating to the amount of deposit insur-
15 ance available to any 1 depositor—

16 “(i) a municipal depositor shall, for
17 the purpose of determining the amount of
18 insured deposits under this subsection, be
19 deemed to be a depositor separate and dis-
20 tinct from any other officer, employee, or
21 agent of the United States or any public
22 unit referred to in subparagraph (E); and

23 “(ii) except as provided in subpara-
24 graph (B), the deposits of a municipal de-
25 positor shall be insured in an amount not

1 to exceed the amount referred to in para-
2 graph (1)(B).

3 “(B) IN-STATE MUNICIPAL DEPOSITORS.—

4 In the case of the deposits of an in-State mu-
5 nicipal depositor described in clause (ii), (iii),
6 (iv), or (v) of subparagraph (E) at an insured
7 depository institution, such deposits shall be in-
8 sured in an amount not to exceed the lesser
9 of—

10 “(i) \$2,000,000; or

11 “(ii) the sum of—

12 “(I) the amount referred to in
13 paragraph (1)(B); and

14 “(II) 80 percent of the amount of
15 any deposits in excess of such
16 amount.

17 “(C) MUNICIPAL DEPOSIT PARITY.—No
18 State may deny to insured depository institu-
19 tions within its jurisdiction the authority to ac-
20 cept deposits insured under this paragraph, or
21 prohibit the making of such deposits in such in-
22 stitutions by any in-State municipal depositor.

23 “(D) IN-STATE MUNICIPAL DEPOSITOR DE-
24 FINED.—For purposes of this paragraph, the
25 term ‘in-State municipal depositor’ means a

1 municipal depositor that is located in the same
2 State as the office or branch of the insured de-
3 pository institution at which the deposits of
4 that depositor are held.

5 “(E) MUNICIPAL DEPOSITOR.—For pur-
6 poses of this paragraph, the term ‘municipal de-
7 positor’ means a depositor that is—”;

8 (3) by striking “(B) The” and inserting the fol-
9 lowing:

10 “(F) AUTHORITY TO LIMIT DEPOSITS.—
11 The”; and

12 (4) by striking “depositor referred to in sub-
13 paragraph (A) of this paragraph” each place such
14 term appears and inserting “municipal depositor”.

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